

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) and (b) Shortage of adequate processing and related infrastructural facilities is a major constraint in the development of the Food Processing Industry in the country. According to the report of M/s. Rabo India Finance Pvt. Ltd. wastage of agricultural food items is estimated to be about Rs. 58,000 crores occurring at various stages of handling after harvesting due to fragmented farming, lack of adequate post-harvest infrastructure such as lack of cold chain facilities, transportation, proper storage facilities, etc. The loss due to wastage could be reduced by a developed food processing industry, strengthening of the post-harvest infrastructure and filling the gaps in the supply chain.

(c) and (d) The outlay (Revised estimates) for the scheme of Infrastructure Development which includes Cold Storages during the last three financial years *viz.* 2004-05, 2005-06 and 2006-07 was Rs. 10.00 crores, Rs. 10.00 crores and Rs. 12.30 crores respectively which was fully utilized. The Ministry of Food Processing Industries, under its Tenth Plan Scheme (closed on 31st March, 2007) provided financial assistance in form of grant in aid @25% of the cost of Plant and Machinery and technical civil works in general areas and 33.33% in difficult areas with a common ceiling of Rs. 75.00 lakhs, for cold storages for non-horticulture produce, specific types of specialized cold storages with controlled Atmosphere/Modified Atmosphere facility, and where the cold storage is an integral part of the processing unit or of the common facilities in food park. Under this scheme, Cold Storages under Integrated Cold Chain facilities component received assistance of Rs. 21.13 lakh, Rs. 142.49 lakh and Rs. 226.59 lakh for the years 2004-05, 2005-06 and 2006-07 respectively. A revised scheme for Integrated Cold Chain Infrastructure with higher level of assistance has been proposed for Eleventh Plan Scheme, for strengthening of the post-harvest infrastructure and filling the gaps in the integrated supply chain.

Problems faced by food processing sector

2884. SHRI C. RAMACHANDRAIAH: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Government are aware of the challenges like antiquated

laws, fragmented processing capacities, poor adoption of pre and post harvest technologies, on-farm and off-farm losses of fresh produce etc. that are being faced by the food processing sector;

(b) whether Government propose to reduce the high logistics costs which are mainly due to the limitation of infrastructure like roads, warehouses, carriers and cold chains etc.;

(c) if so, the details Of policy initiatives taken up so far particularly in Andhra Pradesh; and

(d) the measures being initiated to meet the challenges?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (d) Government has enacted an Integrated Food Law entitled "Food Safety and Standards Act, 2006" which has already been notified to overcome the problems arising out of multiplicity of food laws. According to the report of M/s Rabo India Finance Pvt. Ltd., major constraints being faced by food processing sector are inadequate infrastructural facilities, lack of adequate quality control and testing infrastructure, inefficient supply chain, lack of processable varieties of farm produce, seasonality or raw material, high inventory carrying cost, lack of easy and concessional credit/lending by banks, high taxation, high packaging cost, affordability, cultural preference of fresh food etc.

Government has formulated and implemented several Plan Schemes to provide financial assistance for the establishment and modernization of food processing units, creation of infrastructure, support for R & D, Human Resource Development besides other promotional measures to encourage development of food processing industries. The Government has taken several steps like taxation reduction, waiver/reduction of excise duty, reduction of custom duty on specific food items with a view to encourage the growth of food processing sector. A Vision 2015 on Food Processing Industries has been finalized by the Ministry of Food Processing Industries, which envisages, *inter alia*, cluster based and demand driven farming, achieving integration of food processing infrastructure from farm to market, promoting a dynamic food processing industry which could result in trebling the size of the processed food sector by increasing the level of processing of perishables from 6% to 20%, value addition from 20% to 35% and share

[3 May, 2007]

RAJYA SABHA

in global food trade from 1.5% to 3% by 2015. The policy initiatives taken up by the Ministry are for overall growth of food processing sector throughout the country and are not State-specific. However, as far as Andhra Pradesh is concerned, 135 projects have been approved in the State under various schemes of Ministry during Tenth Plan period and assistance of Rs. 33.95 crores has been released.

The Ministry of Food Processing Industries has proposed a new scheme of Mega Food Parks for Eleventh Plan period which is envisaged to be a well defined agriculture/ horticultural processing zone containing state of the art processing facilities with support infrastructure and well established supply chain with the aims to provide a mechanism to bring together farmers, processors and retailers and link agricultural production to the market so as to ensure maximization of value addition, minimize wastages and improve farmer's income. The Ministry has also proposed to create infrastructure at airports, railheads, seaports, highways and consumption centres which may reduce the high logistics costs and scheme for Integrated Cold Chain Infrastructure and Strategic Distribution Centre for strengthening of the post-harvest infrastructure and filling the gaps in the supply chain, for Eleventh Plan Scheme is under consideration/consultation with Planning Commission.

Opening of an elite college in Orissa

2885. MS. PRAMILA BOHIDAR:

SHRI B.J. PANDA:

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether the Orissa Government proposes to open an elite college in mining, mineral and metallurgy engineering;

(b) if so, the details thereof; and

(c) the details of help both financial and physical that is proposed to be provided by the Centre to the State to set up this Institute?

THE MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (SHRIMATI D. PURANDESWARI): (a) to (c) This Ministry has not received any proposal for opening an elite college in mining, mineral and metallurgy engineering from Orissa Government.